FEBRUARY 1984

ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska

ALASKA · 1984
25 YEARS OF STATEHOOD

1 **Alaska During Statehood: Demographics of the First 25 Years**

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ALASKA ECONOMIC TRENDS

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The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1982.

P Denotes preliminary estimates.

R Denotes revised estimates.

ALASKA DURING STATEHOOD: Demographics of the First 25 Years

By Jo Van Patten

Nineteen eighty four marks the silver anniversary of statehood for Alaska. Twenty-five years is a relatively short time in terms of the maturation process from territory into settled statehood. Our east coast states have celebrated their 200th anniversary as states, and the next youngest states, New Mexico and Arizona, admitted to the union in 1912, long ago lost their frontier status. Alaska, alone, retains the image of the "last frontier", a state not quite finished, not quite grownup, an unknown quantity to many in the "lower forty-eight." Alaska, with a total area of 591,000 sq. miles is the largest state in the union. It has the longest coastline, 5,580 statute miles, and the highest mountain, Mt. McKinley, 20,320 feet. Alaska has more land in State parks (2,975,000 acres) than any other state, more than double that of the second ranking state California, with 1,045,000 acres. Moreover, Alaska with 5.6 million acres, has more than 2/3 of the total acreage in the entire National Park System. The National Lands Act of 1980 established the only park entirely north of the Arctic Circle, the Gates of the Arctic Park. In the twenty-five years Alaska has been a state, many of these superlatives have remained the same. Yet, Alaska has the smallest population of any state in the union. Since the first census in the territory in 1890, the population has grown from 32,052 persons to 226,167 in 1960, and to 401,851 in 1980. The estimate for 1984 is for continued growth to over 500,000.

The demographics of the population growth in the years since statehood are indicative of this maturation process. The typically high male to female ratio of a frontier area has decreased from 132.3 men per 100 women in 1960 to 112.8 per 100 in 1980, although still well above the national ratio of 94.5 per 100 women. Continued decline in this ratio is expected, with the 1982 ratio estimated to be 110 males per 100 females. In the 1900 census the ratio was 258.9 men per 100 women. Men,will probably always outnumber females in the state, as long as there is a major military population group present. As the economy shifts from the exploration development phase into a more diversified economic base, the male to female ratio will continue to adjust itself. The male population increased 65.4% from 1960 to 1980, while the female portion increased 93.9%.

The age profile of the state has reflected major historic and economic events within the state. During the gold rush days, at the turn of the century, it was the males age 25-34 that came to the state. From 1890 to 1910 the total population grew 100.8% while the male age group 25-34 grew by 160.9%. With the establishment of military bases in the state in the 1940's, the male population age 20-30 grew 180% while the state population grew 77.4%. From 1960 to 1980, state population grew 77.7%, males age 20-24 by 51.2%, males age 25-29 by 115.7%, and 30-34 by 108.2%. The same female age

groups show much smaller increases.

With a median age of 26.0 years in 1980, Alaska has the second youngest population of the 50 states; 32.5% of its population is under age 18. In 1960, 39.3% of the states' population was under 18, with a median age of 23.3. At the other end of the age range, Alaska is the state with the lowest percentage of persons over 65: 2.9% in 1980, and 2.4% in 1960. In the census of 1890, only 393 persons over the age of 65 were living in this vast territory. There has been some aging of the population in the years since statehood, however. The 1982 estimate pushes the percentage of those over 65 to 3.0% or approximately 13,920 persons.

In keeping with national trends, fertility rates have shown a marked decrease in Alaska. The fertility ratio, as indicated by the number of children under 5 years per 1,000 women 15 to 49 years of age, was 692 in 1960. By 1980 this measure was 343, a dramatic decrease. Fertility, as measured by specific age groups, is shown in the following table for both 1960 and 1980.

Number of children ever born per 1000 women

Census	Age 15-24	25-34	35-44
1960	805	2504	2743
1980	894	1610	2758

Decreasing fertility since 1960 is shown in the drop in the number of children ever born to women 25-34 in 1980. The baby boom was over and smaller families were fashionable. There is a slight rise in the number of children ever born to women age 15-24 in 1980 which may give Alaska a small "boom" in the later 80's. However, we still see a marked decrease in that portion of the population under age 5 between 1960 and 1980. In 1960 15.2% of the state population was under age 5, while in 1980 this had decreased to 9.7%. Births per thousand dropped from 33.4 in 1960 to 22.9 in 1980. As the 1980, 0-5 age group continues to grow older and if fertility rates do not show any marked increase, the "aging" process of the state will continue into the 1990's.

Alaskans are living longer, as is the population in the lower forty-eight. According to life tables for 1959-61 the average life expectancy for an Alaskan was 67.5 years; by 1980 this had increased to 72.7 years. Alaska still trails the U.S. life expectancy of 73.7 years in 1979. After examining the mortality statistics for the state, it becomes evident that this shorter Alaskan life-span may be a statistical phenomenon rather than an actuality. A large number of Alaskans go south for their retirement years. They do not stay in the state and therefore do not show up in the mortality statistics. If everyone in the 60-64 age group in 1970 (5,310 persons) stayed in the state, with death being the only factor to decrease the population (no migration), one would expect to find 4,057 persons, age 70-74 in 1980; yet

only 3,106 were counted. Out-migration is strong at the high end of the age scale. Unfortunately there is no information on life expectancies for Alaskans claiming other states as their residences at death.

Alaskans are better educated than ever with 21.1%, or 1 in 5, having a college degree. This is second only to Colorado and more than double the 1960 percentage. Much of this education is attained out of the state. Alaska was second only to Nevada in 1979 in the percentage of its first-time freshmen enrolling out-of-state (47.1%). There is only 5.7% of the first-time freshmen coming to this state for their education, leaving Alaska with the highest percentage of out-migration for post secondary education. The median number of school years completed in 1960 was 12.1, high in itself, but pushed still higher to 12.8 in 1980. In 1980,82.8% of persons 25 years and older had completed high school, up from 54.7% in 1960. For the entire U.S., the median number of school years completed was 10.6 in 1960 and 12.5 in 1980. The percent completing high school in 1980 was 66.3% for the U.S. as a whole.

Employment for women in Alaska has increased dramatically since statehood. In 1960, 39.3% of women 14 years and older were in the labor force. By 1980, 57.9% of women 16 years and older were in the labor force. Nationally, the percentage of women age 16 and older in the labor force went from 37.8% in 1960 to 52.9% in 1982. Alaska's continually higher female participation rate is remarkable in a state where mining, construction, and fishing are major employers and more importantly, major male dominated sectors of employment. Employment growth in trade and services has helped to push the female participation rate up recently.

Contrary to popular belief, the percent of the employed population who work for either a local, state, or the federal government has not changed significantly since 1960. In 1960 the percentage was 33.1% while the 1980 census found 33.5% of those employed in 1980 in the state were government workers. But the shift of governmental responsibilities from the federal government of territorial days to the now appropriate state or local governmental agency can be seen in the breakdown of government employment displayed in the following table.

Percentage of Total Government Employment

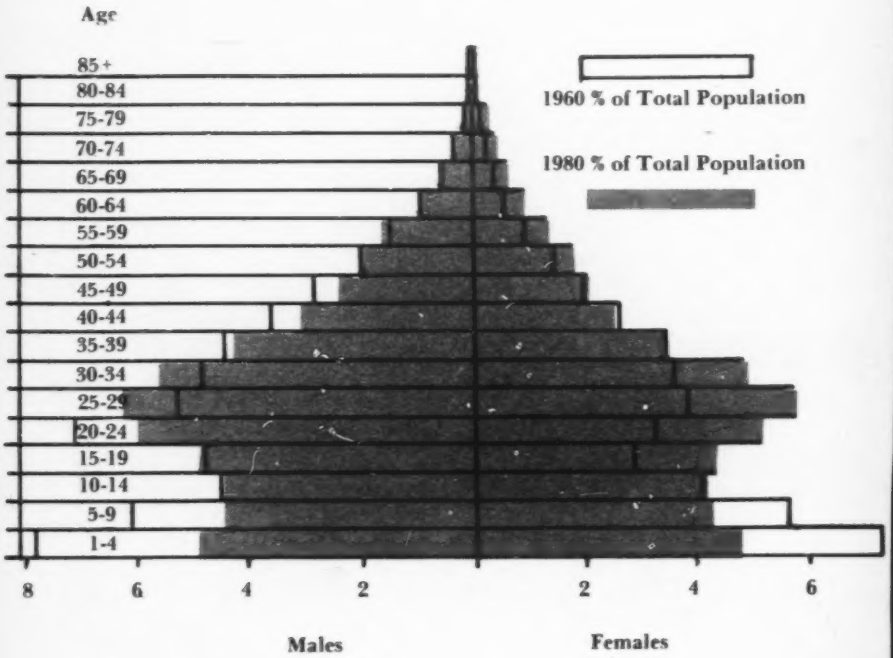
	1970	1980
Federal	46.7%	35.8%
State	27.9%	34.9%
Local	25.3%	29.3%

As the federal government has shifted control to the state, the employment has followed also. Additionally, the public administration and construction sectors have actually declined in their percentages of industry employment. Since 1970, the most notable change in major industry employment has

been the increase in the professional services. Employment there has risen from 14.7% in 1960 to 21.9% in 1980.

As Alaska's twenty-fifth year unfolds, another superlative is added to its descriptive statistics. The July 1, 1982 population estimates series from the Bureau of the Census shows Alaska as the state with the largest rate of in-migration, put at 10.3% between April 1, 1980 and July 1, 1982. The composition of this in-migration will determine whether or not Alaska's demographics will again reflect the state's economic trends. As the state shifts more and more away from the frontier configuration, we should see even more women present, more families forming, more middle aged persons (35-55) staying, and a general shift to the demographic profile of an older state. The 1990 census will give us the next true demographic profile.

Percent of Distribution of the Resident Population, by Age and Sex: 1960 to 1980.



1984 ANCHORAGE EMPLOYMENT FORECAST

By Greg Huff

The employment forecasts listed on page 6 are based on the Box-Jenkins ARIMA modeling method. ARIMA models are a quantitative method which can be used to produce short-term forecasts of a time series from its own prior values. The forecasts presented are based on actual counts of employment through December 1982 and estimated employment through October of 1983. The ARIMA forecasts were adjusted to reflect more recent information.

Total Employment

Generally, the forecasts indicate a healthy but slowing economy. Total employment is forecast to increase 3.4%, compared to 10.4%, 10.5%, and 8.1%, respectively, for 1981 through 1983. Declining construction activities and a slowdown of government employment growth are the primary contributors to the slackening growth in total employment. The retail trade; finance, insurance, and real estate; and services sectors are forecast to continue their vigorous growth trend. Anchorage employment growth is forecast to outpace statewide growth of 1.7%. Anchorage, in 1984, will not feel the full repercussions of some factors dragging on the statewide economy. A depressed pulp and lumber industry, a sagging seafood processing sector, and decreasing construction activity on the North Slope will have little impact on Anchorage.

Mining

Mining employment is forecast to increase moderately in 1984. Continued weak oil and precious metal prices will moderate expansion in the mining sector. Anchorage oil industry employment will increase because of the supporting role Anchorage based staffs play in the ongoing development and recovery enhancement projects in the oil fields on the North Slope and the exploration for new fields. Despite the disappointing news about the Mukluk exploratory well, exploration for new oil will continue, though at a cautious pace.

Construction

Construction employment is forecast to decline about 8.1% in 1984. The decline will come primarily from lower activity in the residential housing market. Indications of a weakening residential housing market began appearing in late 1983. The condominium market was saturated. Financiers began tightening construction loan policies on speculative projects in response to the supply situation. The number of housing permits issued in that last quarter of 1983 began to slip from the record highs seen earlier in

Anchorage Employment Forecast
1983-1984*

	1983	1984	% Change	# of Jobs
Total Nonag.	103950	107450	3.4	3500
Mining	3250	3350	3.1	100
Construction	9250	8500	-8.1	-750
Manufacturing	2600	2700	3.8	100
Food & Kindred	500	500	—	—
Other Manufacturing	2100	2200	4.8	100
Trans. Comm. & Utilities	9000	9250	2.8	250
Trucking & Warehousing	1300	1300	—	—
Water	350	350	—	—
Air Transportation	3550	3650	2.8	100
Other	3800	3950	3.9	150
Trade -	24900	26450	6.2	1550
Wholesale	5950	6200	4.2	250
Retail	18950	20250	6.9	1300
General Merchandise	1750	1750	—	—
Food Stores	2500	2650	6.0	150
Eating & Drinking Places	7250	7750	6.9	500
Other	7500	8100	8.0	600
Fin.-Ins. & Real Estate	6950	7450	7.2	500
Services	23050	24400	5.9	1350
Government	25000	25350	1.4	350
Federal	10000	10100	1.0	100
State	6400	6500	1.6	100
Local	8600	8750	1.7	150

* Numbers may not sum because of rounding.

the year. For the whole of 1983, 9,259 building permits were authorized compared to 6,767 in 1982. However, the last quarter results revealed a 48% decline from 1982 levels. The declines were based in all types of structures from single family dwellings to condominiums. Condo's with 5 or more individual units declined by the greatest amount. Although activity in the residential sector will slacken in 1984, Alaska Housing Finance Corporation mortgages and the in-migration of population will maintain a sizable amount of home construction activity for the 1984 season.

Private commercial construction activity in 1984 will remain flat, but will experience shifts in the activity mix. Some commercial markets, such as office space, are saturated and suffering from high vacancy rates. These markets will encounter declines in activity. Other markets have room for additional capacity and will see such increases. An example of this is the hotel and retail trade markets.

Public construction will also hold steady in 1984. Road construction will again top the $100 million mark with projects such as the A/C cuplet, the extention of Minnesota bypass and phase one of Dimond Blvd. Also major facilities such as project 80's library which were funded during the run up of state revenues will reach peak construction in 1984.

Government

Growth in government employment is forecast to slow to 1.4% in 1984 compared to 4.6% in 1983. Federal government will continue its sluggish growth with the civilian military providing the impetus for a small gain. The Municipality of Anchorage, living with its new austerity budget, will keep manpower increases to a minimum but additional services will push employment levels up. The local education sector is likely to experience a large share of local government growth. The location of the increasing number of state offices in Anchorage means that Anchorage's state government employment will experience another growth year.

Other Industries

The surge in population and personal income experienced since late 1980 will continue to generate growth in the secondary industries such as transportation, utilities and communication; trade; finance, insurance and real estate; and services. Areas of retail trade will be one of the fastest growing sectors. Increased tourism in 1984 will also add impetus to firms providing goods and services to tourists, such as accommodations, gift shops and air and bus transportation.

ALASKA

By Ed Ebach

Led by construction and manufacturing, total nonagriculture employment dropped for the fourth consecutive month. Estimated total employment for December was 204,700, down from November's revised 210,300. The December unemployment rate was 11.0%.

The decline was expected as seasonal employment adjustments take place in construction, seafood processing and industries that support these activities. Unexpected was the continued high rate of construction activity and the greater than normal drop in seafood processing.

Construction

With residential housing and commercial construction still strong in Anchorage-Matsu, December construction employment is the best since 1976 and well above December 1982. This situation is not expected to continue as there is strong evidence of overbuilding in Alaska's three major communities. Home listings and apartment rental vacancies are up and an easing of rental rates is observed in all three communities. Office vacancy rates are up in Anchorage and with the level of building activity just completed, these vacancy rates are likely to remain unseasonally high. With the extent of building in Juneau the commercial vacancy rate may rise there as well.

While construction employment is unlikely to reach the levels of 1983, scheduled projects in both the private and public sector makes it doubtful that precipitous drops will be seen in nonresidential housing construction in 1984. The weakness for 1984 construction activity is in residential building. Any decline in construction employment is unlikely to seriously impact other industries. Prospects for growth elsewhere in the economy should more than offset declines in construction employment in 1984.

Fishing

While construction employment was the bright spot in the Alaska employment scene, seafood processing experienced its worse December for employment since 1974. The industry optimism over the peak salmon runs and improved inventory picture was quickly reversed with the news about the Alaska king crab stocks. After record catches for the 1980/81 season the catch for all shellfish has declined but none more rapidly than king crab.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	P	R	CHANGES FROM:		
	12/83	11/83	12/82	11/83	12/82
Nonag. Wage & Salary	204700	210300	195500	-3600	9200
Mining	7600	7900	7600	-300	0
Construction	17000	19400	15500	-2400	1500
Manufacturing	7900	9200	8900	-1300	-1000
Food & Kindred Prod.	3000	3900	3600	-900	-600
Lumber & Paper Prod.	2000	2500	2500	-300	-500
All Other Mfg.	2900	3000	2800	-100	100
Trans. Comm. & Util.	17900	18200	17600	-300	300
Trucking & Whseing.	2200	2200	2200	0	0
Water Transportation	1200	1300	1100	-100	100
Air Transportation	5600	5700	5300	-100	300
Other Trans. Comm. & Utilities	8900	9000	9000	-100	-100
Trade	42700	42600	39000	100	3700
Wholesale	8000	8000	7300	0	700
Retail	34700	34600	31700	100	3000
Gen. Merchandise & Apparel	5600	5400	5100	200	500
Food Stores	5800	5800	5100	0	700
Eating & Drinking Places	11800	11900	10900	-100	900
Other Retail Trade	11500	11500	10600	0	900
Fin.—Ins. & R. Estate	10500	10800	10000	-300	500
Services & Misc.	38000	38000	36200	0	1800
Government	63100	64200	60700	-1100	2400
Federal	17600	17600	17100	0	500
State	19100	19700	18700	-600	400
Local	26400	26900	24900	-500	1500

Prepared in cooperation with the U.S. Bureau of Labor Statistics.
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1982.

P Denotes preliminary estimates.
R Denotes revised estimates.

Alaska Shellfish Catch
(Millions of Pounds) 1/

	80-81	81-82	82-83	83-84 2
King Crab	193.1	87.2	40.5	20.3
Tanner Crab	122.0	107.1	69.7	61.3
Dungeness Crab	6.1	11.9	16.1	11.8
Shrimp	52.1	27.7	16.9	7.1
Scallop	.1	.6	.8	.15

Groundfish Catch
(Metric Tons)

Groundfish	14,149	116,124	208,784	115,178

1 By fishing season.
2 Season still in progress. Represents estimated catch based on data-to-date.

Source: Alaska Department of Fish and Game

Dutch Harbor, the Alaska Peninsula, Kodiak, and Bristol Bay did not have a 1984 red king crab season and Kodiak is the only western district where tanner crab is still strong. In addition, after three fairly successful seasons the dungeness crab catch was dropping off rapidly. The loss of the king crab season has resulted in an increase of boats in other areas. It is estimated that the number of boats participating in the Adak red and brown king crab harvest has tripled since 1982. In addition the state's dungeness fleet has doubled. The one bright spot in the fishing numbers is the estimated groundfish catch for 1983. The groundfish catch has been doubling every year since 1980 and it appears when the final numbers are in it will have doubled in 1983.

The early indications are, with the exception of the shellfish harvest, that 1984 will return to normal levels of employment in seafood processing. Salmon runs are expected to be strong although not as good as the past two years. The groundfish catch should continue to increase as resources are diverted from shellfish. With the poor prospects for a comeback of the shellfish industry over the next several years seafood processing employment will be off somewhat in the winter months but should remain strong from late spring to late fall.

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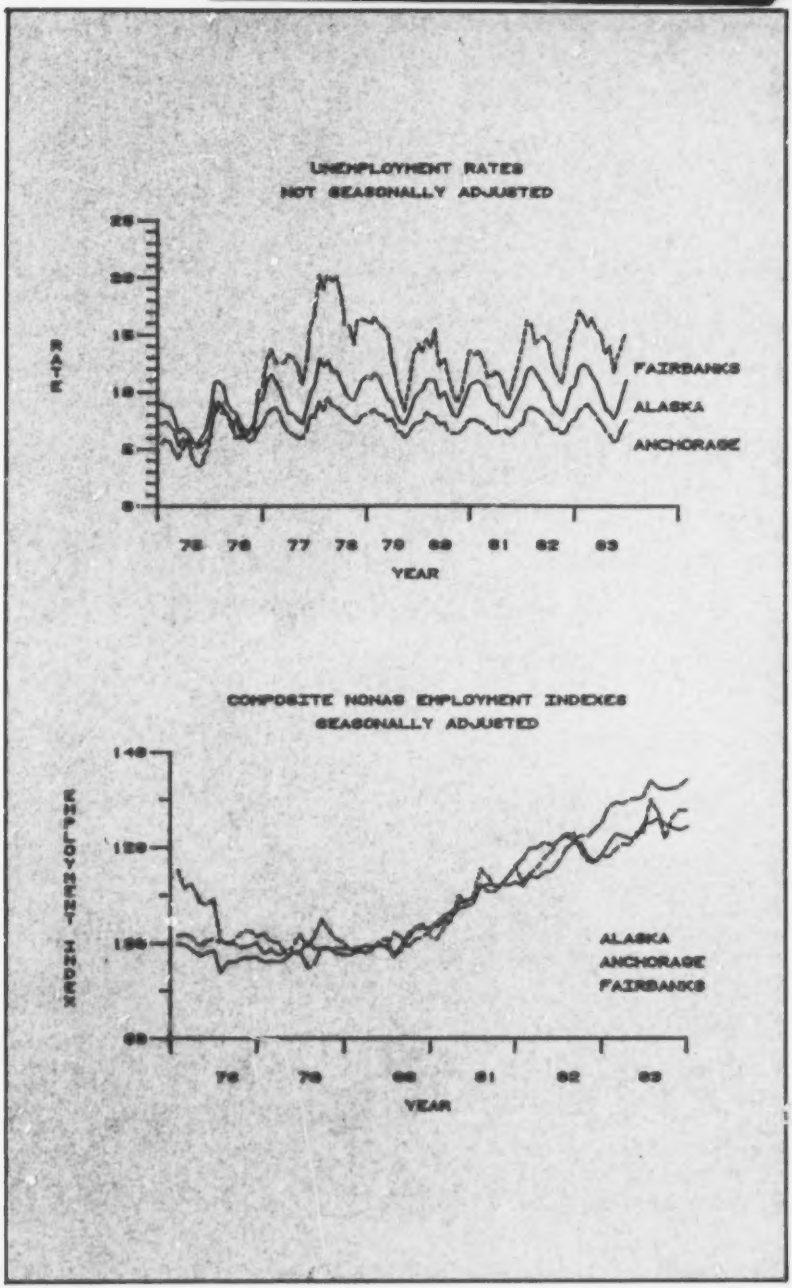

ANCHORAGE/MATSU

By Greg Huff

Anchorage Employment: A Year in Review

Nineteen eighty three was another banner year in Anchorage. Nonagricultural wage and salary employment during the year averaged 103,950, an increase of 8.1% over the levels of the previous year. Record high construction activity levels combined with increasing population and personal income combined to add yet another year to the record books. Estimated valuation of building permits issued in 1983 topped 1 billion dollars compared to $563 million in 1982. The number of residential housing unit permits also reached new high levels, increasing 37% over the year. Population in the summer of 1983 was estimated by Municipal Planning to exceed 230,000, up from 174,400 in 1980. Total wage and salaries, a major portion of income, advanced over 12% from the first half of 1982 to the first half of 1983.

Mining

Mining employment fell in 1983 for the first time in over 10 years. Much of the loss was in the oil and gas industry although hard rock mining employment also fell. The losses in the oil and gas industry appeared in the first half of the year, but began to rebound in the second half. The layoff came as a result of a drop in drilling and oil field service activity on the North Slope.

Construction

The most vigorous employment growth rates in 1983 were in the construction industry with a 17.1% increase in jobs over 1982. The 1350 new construction jobs accounted for more than 15% of the total increase in employment from 1982 while accounting for less than a tenth of total nonagricultural employment. Private and public funds combined into an explosive force contributing to record construction activities ranging from residential to commercial and highway projects.

Trade

Wholesale and retail trade were both up significantly in 1983. The expansion of Northway Mall and the opening of several smaller malls created employment opportunities in retail trade. Big gains were realized in eating and drinking places, specialty stores (like apparel, accessories, sporting goods, grocery, and drug stores) and in firms that provide support to construction, particularly residential construction such as furniture, building materials, and hardware stores. Construction activities were also a large contributor to growth in wholesale trade.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 12 83	R 11 83	12 82	P 12 83	R 11 83	12 82	P 12 83	R 11 83	12 82	P 12 83	R 11 83	12 82
Alaska Statewide	208962	211395	210727	23016	21004	22218	11.0	9.9	10.5	185946	190391	188509
Anchorage-Matsu Region	110019	110599	110193	9355	8452	9035	8.5	7.6	8.2	100664	102147	101158
Anchorage	98785	99523	99222	7450	6842	7439	7.5	6.9	7.5	91335	92681	91783
Matanuska-Susitna	11234	11076	10971	1905	1610	1596	17.0	14.5	14.5	9329	9466	9375
Gulf Coast Region	22001	22827	22031	3190	3010	3353	14.5	13.2	15.2	18811	19817	18678
Cordova	1155	1187	1139	148	126	139	12.8	10.6	12.2	1007	1061	1000
Kenai	11471	11742	11501	1886	1645	1984	16.1	14.0	17.3	9585	10097	9517
Kodiak	4801	5147	4818	506	622	553	10.5	12.1	11.5	4295	4525	4265
Seward	1593	1681	1635	252	268	303	15.8	15.9	18.5	1341	1413	1332
Valdez	2981	3070	2938	398	349	374	13.4	11.4	12.7	2583	2721	2564
Interior Region	27991	28599	28259	4212	4067	4361	15.0	14.2	15.4	23782	24532	23895
Fairbanks	22855	23362	23075	3471	3367	3600	15.2	14.4	15.6	19384	19995	19475
Southeast Fairbanks	2227	2301	2199	283	295	245	12.7	12.8	11.1	1944	2006	1954
Upper Yukon	697	711	691	117	113	108	16.8	15.9	15.6	580	598	583
Yukon-Koyukuk	2215	2225	2294	341	292	411	15.4	13.1	17.9	1874	1933	1883
Northern Region	10237	10442	10116	1069	910	850	10.4	8.7	8.4	9168	9532	9266
Barrow-North Slope	2735	2797	2709	262	226	210	9.6	8.1	7.8	2473	2571	2499
Kobuk	3167	3274	3119	322	316	243	10.2	9.7	7.8	2845	2958	2876
Nome	4335	4371	4288	485	368	397	11.2	8.4	9.3	3850	4003	3891
Southeast Region	28981	28764	30461	4182	3587	3760	14.4	12.5	12.3	24802	25177	26704
Angoon	373	366	418	45	33	65	12.1	9.0	15.6	328	333	353
Haines	1018	997	1097	181	148	196	17.8	14.8	17.9	837	849	901
Juneau	10151	10153	10642	1151	1012	918	11.3	10.0	8.9	9003	9141	9694
Ketchikan	6108	6026	6148	891	730	831	14.6	12.1	12.9	5217	5296	5617
Outer Ketchikan	740	775	853	125	151	191	16.9	19.5	22.4	615	624	662
Prince of Wales	1413	1395	1454	295	230	218	20.4	16.5	15.0	1118	1165	1236
Sitka	4128	4144	4322	491	452	406	11.9	10.9	9.4	3637	3692	3916
Skagway	1585	1601	1539	372	370	233	23.5	23.1	15.1	1213	1231	1306
Wrangell-Petersburg	3435	3307	3691	631	461	672	18.4	13.9	18.2	2804	2846	3019
Southwest Region	9727	10161	9664	1008	978	856	10.4	9.6	8.9	8719	9186	8808
Aleutian Islands	2525	2661	2528	154	163	133	6.1	6.1	5.3	2371	2498	2395
Bethel	3113	3282	3091	339	360	289	10.9	11.0	9.3	2771	2922	2802
Bristol Bay Borough	344	379	351	31	40	35	9.0	10.8	10.0	313	330	316
Bristol Bay	1322	1363	1295	151	129	112	11.4	9.5	8.6	1171	1234	1183
Kuskokwim	887	901	846	131	101	82	14.8	11.5	9.7	756	797	761
Wade Hampton	1536	1587	1553	202	182	205	13.2	11.5	13.2	1334	1405	1348

P =Preliminary 1982 Benchmark

R =Revised

Federal guidelines require the use of unrounded Labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

Anchorage Employment
1982-1983*

	1982	1983	% Change	# of jobs
Total Nonag.	96150	103950	8.1	7800
Mining	3550	3250	-8.4	-300
Construction	7900	9250	17.1	1350
Manufacturing	2250	2600	13.5	350
Food & Kindred	500	500	—	—
Other Manufacturing	1800	2100	16.7	300
Trans. Comm. & Utilities	8300	9000	8.4	700
Trucking & Warehousing	1250	1300	4.0	50
Water	300	350	16.7	50
Air Transportation	3350	3550	6.0	200
Other	3400	3850	13.2	450
Trade	22800	24900	9.3	2100
Wholesale	5400	5950	10.2	550
Retail	17400	18950	8.9	1550
General Merchandise	1650	1750	6.1	100
Food Stores	2400	2500	4.2	100
Eating & Drinking Places	6650	7250	9.0	600
Other	6750	7500	11.1	750
Fin.-Ins. & Real Estate	6350	6950	11.0	600
Services	21050	23050	9.5	2000
Government	23900	25000	4.6	1100
Federal	9850	10000	1.5	150
State	6150	6400	4.1	250
Local	7950	8600	8.2	650

* Numbers may not sum because of rounding.

Other Industries

Government employment grew 4.6% in 1983 with local government making the largest gains followed by state government and then federal government. Local government grew in both its education and non-education sectors as a result of increased service loads caused by the surging population. Federal government increases resulted primarily from the civilian military sector.

Manufacturing employment got a boost in 1983 from increases in those sectors related to construction activity such as lumber and wood products, and sand and gravel industries. Printing and publishing also grew substantially. Finance, insurance and real estate had an annual growth rate exceeding 10%, while transportation, communications and utilities grew 8.4%. Services grew at 9.5% with medical services, including hospitals, among the fastest growing service sectors. All services were impacted positively by the growing population and economic base.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P	R	CHANGES FROM:		
	12/83	11/83	12/82	11/83	12/82
Nonag. Wage & Salary	104100	105150	97550	-1050	6850
Mining	3100	3200	3050	-100	50
Construction	8500	9500	7650	-1000	850
Manufacturing	2200	2100	2000	-200	200
Food & Kindred Products	300	350	250	-50	50
Other Mfg.	1900	2050	1750	-150	150
Trans. Comm. & Util.	8900	9600	8300	-100	600
Trucking & Whseing.	1300	1250	1300	50	0
Water Transportation	350	350	200	0	150
Air Transportation	3450	3550	3300	-100	150
Other Trans. Comm. & Utilities	3800	3850	3500	-50	300
Trade	26500	25800	24100	700	2400
Wholesale Trade	6150	6100	5650	50	500
Retail Trade	20350	19700	18450	650	1900
Gen. Merchandise	2000	1900	1850	100	150
Food Stores	2650	2250	2450	100	200
Eating & Drinking Places	7450	7500	6800	-50	650
Other Retail Trade	8250	8050	7350	200	900
Fin.-Ins. & R. Estate	7050	7050	6700	0	350
Services & Misc.	23000	23000	21450	0	1550
Government	25150	25500	24300	-350	850
Federal	10050	10150	9600	-100	450
State	6450	6600	6550	-150	-100
Local	8650	8750	8150	-100	500

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P	R	CHANGES FROM:		
	12/83	11/83	12/82	11/83	12/82
Nonag. Wage & Salary	109700	111500	102600	-1800	7100
Mining	3150	3250	3100	-100	50
Construction	9200	10300	8350	-1100	850
Manufacturing	2000	2500	2100	-500	-100
Trans. Comm. & Util.	9100	9150	8750	-50	650
Trade	27550	27350	25050	200	2500
Fin.-Ins. & R. Estate	7300	7300	6900	0	100
Services & Misc.	24100	24050	22400	50	1700
Government	27000	27300	25950	-300	1050

FAIRBANKS/INTERIOR

By Neal Fried

The Year in Review

Fairbanks' employment grew for the third year in a row. Nearly all economic indicators were positive. Bank deposits and loans, building permits, airport and border activity, and employment all made gains. The Community Research Center estimates that the North Star Borough's population grew from 59,222 in 1982 to 65,311 in 1983. Wage and salary employment grew by 5%. The annual average employment level reached above 26,000, closing in on the levels of the heady pipeline years.

What kept the economy growing in 1983 was little different from the stimuli present in the two previous years. State spending remained strong in Fairbanks and in addition one of the largest North Slope sealifts in history signified robust activity on the Slope. Eielson AFB continued with its expansion. One factor which appeared to be different from previous years was the amount of private sector investment which took place in 1983. State spending provided the stimulus to push Fairbanks into the growth mode, and the private sector responded to this activity in a strong way.

Industry Profile

All of Fairbanks' industries either grew or remained at last year's levels. Construction and trade were responsible for the lions share of employment growth. Construction was the major beneficiary of state expenditures and North Slope activity grew by 20% in one year. Growth in this industry came from all sectors. Residential housing permits hit a high of 792 units, 26% above the 1982 high. This is largely as a result of the Alaska housing program, a growth in population and the construction of some large apartment complexes, particularly Wise's Sophie Plaza. This new construction has finally alleviated much of the severe housing shortage which has existed in Fairbanks during the past 2-3 years.

Commercial building construction also experienced a good year, largely benefiting from state and local capital projects. The list of building projects in excess of $1 million included the new Borough building, expansion of the University library and the Fairbanks Memorial hospital, new University dormitories and construction of the new North Pole high school. In the commercial sector, a number of projects were undertaken including the North Gate and Regency Court malls, renovation of the old Post office and a myriad of other smaller projects.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P	R	CHANGES FROM:		
	12/83	11/83	12/82	11/83	12/82
Nonag. Wage & Salary	26050	26700	24200	-650	1850
Mining	250	300	200	-50	50
Construction	2050	2400	1400	-350	650
Manufacturing	500	500	450	0	50
Trans. Comm. & Util.	2700	2800	2700	-100	0
Trucking & Whsesng.	450	450	350	0	100
Air Transportation	550	550	550	0	0
Other Trans. Comm. & Utilities	1700	1800	1800	-100	-100
Trade	5700	5650	5050	50	650
Wholesale Trade	900	900	800	0	100
Retail Trade	4800	4750	4250	50	550
General Merchandise & Apparel	500	450	450	50	50
Food Stores	800	800	700	0	100
Other Retail Trade	3500	3500	3100	0	400
Fin.-Ins. & R. Estate	1050	1000	950	50	100
Services & Misc.	4950	4950	4950	0	0
Government	8850	9100	8500	-250	350
Federal	2650	2650	2400	0	250
State	3800	4000	3800	-200	0
Local	2400	2450	2300	-50	100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P	R	CHANGES FROM:		
	12/83	11/83	12/82	11/83	12/82
Nonag. Wage & Salary	29450	30400	27600	-950	1850
Mining	400	450	350	-50	50
Construction	2100	2450	1450	-350	650
Manufacturing	500	500	450	0	50
Trans. Comm. & Util.	3450	3550	3450	-100	0
Trade	6100	6150	5400	-50	700
Fin.-Ins. & R. Estate	1100	1100	1000	0	100
Services & Misc.	5400	5350	5250	50	150
Government	10400	10850	10250	-450	150

Trade, the other large contributor to Fairbanks' employment expansion, grew by 10% in 1983. This came in response to a growing population, and increasing incomes. Fairbanks may also have lacked adequate retail trade establishments in the past and investors are now realizing this. Over the past three years the number of retail outlets has grown from 314 to 341. Two new malls were built in 1982 and other establishments expanded. The number of new eating establishments mushroomed in 1983. Presently trade employs 20% of Fairbanks' wage and salary workforce, compared to 17% a decade ago.

Government employment budged upward by 2.4%. Most of this growth came from increases in federal and state governments. Federal government grew slightly in response to the expansion taking place at Eielson AFB. State government employment growth came largely as a result of increases taking place at the University of Alaska as student enrollment continued to grow.

With the exception of the layoffs, which took place at the North Pole Refinery and Alascom, there was little on the negative side in 1983. The loss of 85 full time, well paid, nonseasonal jobs at Alascom was a blow, particularly to the individuals affected, but these numbers will hardly affect Fairbanks' total wage and salary workforce.

Unemployment

Fairbanks' unemployment rate did not respond to the growth in employment. The preliminary unemployment rate for 1983 of 14.8% actually tops 1982's rate of 13.8%. The continued in-migration of job seekers is partially responsible for this. What also contributed to this higher rate, though it may appear somewhat of a paradox, is the large amount of construction which has been taking place during the past 2 years. Construction employment, which is a larger share of total employment, has meant that when the end of the season arrives more people are laid off, pushing the unemployment rate upwards. It is important to realize that seasonality is also a major contributing factor to the unemployment rate and not soley attributable to a lack of jobs.

Fairbanks' labor market did remain competitive despite the growth which has been taking place. The growth, however, has created a fluid, dynamic job market, making it easier for a first-time job seeker to find employment and making it easier for an employed person to find another job.

GULF COAST

By Neal Fried

Year in Review

In 1983 the Gulf Coast region shared economic prosperity with most of the remainder of the state. Employment growth was the norm in the region's communities. The region added more than 1,000 wage and salary jobs in 1983. Economic indicators such as building permits, employment and population all trended upwards. Wage and salary employment moved above 19,100, exceeded only once in the region's history-1975, a pipeline year.

The major source of this growth continues to be tied to the State's oil revenues. Alaska's oil revenues provide the fuel needed to push these communities employment levels upward. State funding in the form of subsidies, capital projects, contracts and government employment provide the base of this growth. In response many secondary industries have expanded. Fishing, refining, and oil and gas production have contributed little or no stimulus to this growth. The only other industry which provided some push to the economy in 1983, was tourism.

Industry Profile

Most of the region's industries either remained at 1982 levels or grew. The only exception was in mining where employment declined as a result of the shrinking oil reserve in the Kenai oil fields. The industries which experienced the largest gains were construction, services and trade.

Construction employment grew by 14% in 1983. During the past 3 years firms producing brick and mortar have been the biggest beneficiary of state dollars. Residential construction enjoyed an exceptional year partly as a result of subsidized home loans. The number of building permits grew in Cordova, Homer, Kenai, Seward and Soldotna. The combined permits of these communities increased by 51% over year-ago levels. Kodiak and Valdez were the two communities where permits used were below 1982.

Building construction also experienced a banner year. All of the multi-million dollar local and state projects are too numerous to list here, but a sample of these projects include the Terror Lake dam in Kodiak, dock construction in Cordova, Seward and Homer, completion of the Central Peninsula Sports Arena, and the expansion of two hospitals and an airport. A large number of building projects in the private sector took place, including the new Safeway store in Soldotna, a couple of new hotels and a variety of larger and smaller office buildings and shopping centers throughout the region, particularly on the Kenai Peninsula.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

	P	R	CHANGES FROM:		
	12/83	11/83	12/82	11/83	12/82
Nonag. Wage & Salary	17450	18300	16800	-850	650
Mining	750	750	700	0	50
Construction	1450	1800	1150	-350	300
Manufacturing	1800	2250	2300	-450	-500
Food & Kindred Products	1050	1450	1600	-400	-550
All Other Mfg.	750	800	700	-50	50
Trans. Comm. & Util.	2150	2100	2150	50	0
Trade	2950	2950	2650	0	300
Wholesale Trade	400	350	350	50	50
Retail Trade	2550	2600	2300	-50	250
Fin.-Ins. & R. Estate	500	500	450	0	50
Services & Misc.	2950	3050	2650	-100	300
Government	1900	1900	1750	0	150
Federal	500	500	500	0	0
State	1500	1500	1400	0	100
Local	2900	2900	2850	0	50

The service and trade industries benefited from the growth in population and income. Both also enjoyed a boost from an excellent tourist season in 1983, particularly the Kenai Peninsula which played host to what was probably record numbers of Anchorage residents and large numbers of out-of-state visitors. New retail outlets and new eateries dotted the landscape of the region.

In spite of the disasterous king crab season in Kodiak and the region's poor shrimp harvest, fish processing employment, the region's largest private sector employer, did budge upward slightly (100 jobs). This was a result of a good salmon harvest in Bristol Bay. The largest haul in history kept Gulf Coast processors busy. In the past few months fish processing numbers have been below 1982 levels because of the vanishing king crab stocks.

Government employment grew by 5%, mostly on the local level. Local government had to react quickly to a growing population by hiring additional school staff and other local government employees. State employment did not react quite as strongly, only adding on a minimal number of jobs. The single largest addition was 70 new employees at the new Wildwood jail in Kenai.

Unemployment

Increased employment did push the region's preliminary annual unem-

ployment rate down by 1 percentage point to 13.1% in 1983. This, however, remains above the state's rate of 10.1%. In-migration of job seekers remained strong in 1983. Seasonality has also kept the rate high. Some of the growth which has taken place has provided additional nonseasonal year-around jobs. It has also increased the number of seasonal jobs, construction more than any other industry. The numbers indicate that in spite of hefty growth in the labor force, competition in the job market remains strong in the region, particularly during the non-summer months.

SOUTHEAST ALASKA

By John Boucher

Sitka Employment: 1980-1982

For the past two months the Southeast article has focused on a smaller geographic area within the region. Updated actual counts were recently made available for the census areas within Southeast Alaska. This month the Sitka census area will be discussed.

The Sitka census area is conterminous with the City and Borough of Sitka. The Sitka Borough includes all of Baranof and Kruzof Islands and a portion of Chichagof Island roughly south from Tenakee Inlet on eastern Chichagof and Lisianski Strait on the western part of the island. As of July 1, 1982 the Sitka census area population was 8,223, 5.3% higher than in April of 1980. In terms of population, the Sitka census area ranked 11th in the state out of 23 census areas.

From 1980 to 1982 statewide nonagricultural employment grew 17%. The Sitka employment picture was not quite so bright during these two years. Sitka employment decreased 8.1% from 1980 to 1982, all of the decrease occurring from 1981 to 1982. The reasons for the decline are two-fold. Sitka's wood products industry, the area's largest employer, has fallen on hard times. Also, federally subsidized jobs that were available through the CETA program were cut back severely leaving the finance, insurance and real estate sector with 245 less jobs than in 1980.

Sitka manufacturing employment is dominated by one industry; lumber and paper products. Economic events outside of the Sitka economy have made their presence felt in the form of less lumber and paper products employment. Falling Japanese housing starts, a decreasing price for Alaskan pulp due to a worldwide glut of competing petrochemical products, and a strengthening of the U.S. dollar in comparison to the Japanese yen have all contributed to the difficulties being faced in the Alaskan wood products industry. Softer markets brought increasing competitive pressures for Alaskan producers and decreased employment was the result. Since 1980, employment in Sitka's lumber and paper products industry dropped 30%. This translates into 228 fewer jobs. Sitka manufacturing employment would have dropped even more from 1980 to 1982 but seafood processing posted a strong increase in employment from 1980 to 1981, largely offsetting the lumber and paper products industry decreases for that year.

Another reason for the decline in employment was the discontinuance of the Comprehensive Employment and Training Act (CETA) funding that was provided to native organizations prior to September 1981. The Sitka Community Association and Tlinget-Haida Regional Council were

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

	P	R	CHANGES FROM:		
	12/83	11/83	12/82	11/83	12/82
Nonag. Wage & Salary	27200	27550	26800	-350	100
Construction	1550	1850	1550	-300	0
Manufacturing	2700	3000	3100	-300	-100
Food & Kindred Prod.	750	800	850	-50	-100
Lumber & Paper Prod.	1700	1950	2050	-250	-350
All Other Mfg.	250	250	200	0	50
Trans. Comm. & Util.	1950	1850	1900	100	50
Trade	1550	1150	1200	100	350
Wholesale	350	350	300	0	50
Retail	1200	1100	3900	100	300
Fin.-Ins. & R. Estate	1050	1000	1050	50	0
Mining, Services & Misc.	3850	3850	3650	0	200
Government	11550	11550	11350	0	200
Federal	2200	2250	2150	-50	50
State	5250	5250	5300	0	-50
Local	1100	1050	3900	50	200

Sitka Nonagricultural Wage and Salary Employment
1980-1982

	1980	1981	1982	% Change 1980-1982
Total Nonagricultural	3736	3765	3442	-8.1
Mining	0	0	0	—
Construction	244	309	274	12.2
Manufacturing	810	814	679	-16.2
Lumber and Paper Products	750	637	522	-30.4
Trans. Comm. & Pub. Utils.	256	273	280	9.4
Trade	443	467	479	8.1
Wholesale	34	36	35	2.9
Retail	409	431	444	8.6
Fin.-Ins. & Real Estate	314	199	69	-78.0
Services & Misc.	507	526	541	6.7
Government	1172	1177	1120	-4.4
Federal	601	576	514	-14.5
State	204	222	230	12.7
Local	367	379	375	2.2

eligible for entitlements under CETA which funded nearly 200 jobs. The jobs were funded by the federal government and administered by the local native associations. All of the jobs were intended to enhance public service agencies, but there was no one particular function that these jobs served. Employment ranged from a receptionist for a hospital to cleaning up local parks, but they were all counted as employed in a native corporations holding company which fall into the finance, insurance, and real estate category. When funding was stopped, this category took a tumble as employees were let go.

Excluding these two dramatic drops in employment, the economy of the area does not seem to be in a decline, but rather showed steady growth from 1980 to 1982. Construction employment grew very strongly in 1981 and then moderated a bit in 1982. Trade, transportation and services posted steady growth during the period, all growing faster than the increase in local population. Government employment followed the same pattern that it exhibited in many other areas during the past two years, increasing in state and local government sectors coupled with decreasing federal government employment.

The short term outlook for Sitka employment is a difficult one to determine. No doubt a strengthening of the wood products industry would be a boost to the Sitka economy. In the short run, however, this does not seem a likely occurrence. The competitive nature of the wood products industry will continue to put pressure on the Sitka wood products industry to cut costs. The most recent indication of this was the seeking of a variance to Environmental Protection Agency water pollution standards by Alaska Lumber and Pulp (ALP) for its pulp mill. ALP recently hinted that a shutdown of the mill is a possibility should the variance not be granted. A pickup in demand would also help the industry, but Japanese housing starts in 1983 did not share in the upward momentum of the Japanese economy. Overall, 1983 housing starts were expected to stay at the lower levels of 1982. The question that remains is how the Sitka economy will perform if the wood products industry remains in its currently depressed state. If 1981 and 1982 are any indication, the future of the city does not look glum. If growth can be achieved in other areas of the economy to offset the declining wood products industry, Sitka's economy would become more resiliant to outside events that affect the economy of the local area.

HOURS AND EARNINGS

By Kathryn Lizik

With most industries winding down activity for the winter, November's statewide hours and earnings did not show any unseasonable changes. All industries experienced declines in their average weekly hours with the exception of transportation, communication and utilities. Drops ranged from as much as 17% in food and kindred products, to 2% for mining, lumber and paper products, and retail trade.

Corroborating many statewide reports citing seasonal layoffs, construction's average hourly wage fell 6% from October to $23.54, and the average weekly hours fell 4% to 39.3. Compared to a year ago, construction weekly hours were up 8% and average weekly earnings were up 7% even though average hourly wage dipped a slight 1% from the $23.77 level held in November of 1982.

The average weekly hours of the food and kindred products section of manufacturing continued its downward spiral dropping 17% from October. This was also 6% lower than a year ago reflecting the ever worsening condition of the winter crab season. The hourly drop in turn affected weekly earnings which fell 13% to $153.55 even though average hourly earnings rose 5% to $9.14. Most fish processing plants do not expect any increased activity until after the first of the year.